

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

BULK PARCEL RETURN SERVICE  
EXPEDITED MINOR CLASSIFICATION CASE

Docket No. MC99-4

NOTICE OF THE UNITED STATES POSTAL SERVICE  
CONCERNING DECISION OF THE GOVERNORS

The United States Postal Service hereby gives notice of the following decision of the Governors in Docket No. MC99-4:

DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON THE  
RECOMMENDED DECISION OF THE POSTAL RATE COMMISSION ON BULK PARCEL  
RETURN SERVICE MINOR CLASSIFICATION CHANGE, DOCKET NO. MC99-4  
(AUGUST 30, 1999).

A copy of the Governors' Decision is attached, along with its attachment reflecting the resulting changes to Domestic Mail Classification Schedule § 935. Also attached is the resolution of the United States Postal Service Board of Governors establishing the implementation date for the changes approved by the Governors.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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August 31, 1999

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE  
ON THE RECOMMENDED DECISION OF THE POSTAL RATE COMMISSION  
ON BULK PARCEL RETURN SERVICE MINOR CLASSIFICATION CHANGE,  
DOCKET NO. MC99-4**

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August 30, 1999

**STATEMENT OF EXPLANATION AND JUSTIFICATION**

On August 19, 1999, the Postal Rate Commission issued its Opinion and Recommended Decision in Docket No. MC99-4. The object of this case is to make Bulk Parcel Return Service (BPRS) more convenient and efficient.

The Postal Service initiated this proceeding on May 25, 1999, with its Request for an Expedited Recommended Decision on a Minor Classification Change for Bulk Parcel Return Service. BPRS currently allows mailers of properly endorsed, machinable, Standard (A) [i.e., under one pound] parcels to have undeliverable-as-addressed parcels returned to the original mailer in bulk at a flat fee of \$1.75 per piece. The request filed with the Commission sought to improve service to customers and to increase postal efficiency by expanding options within BPRS in two ways. First, the request sought to expand eligibility for BPRS to otherwise eligible parcels which have been opened, resealed and redeposited in the mail by the recipient, when it is not practicable or efficient for the Postal Service to seek payment of return postage from the recipient. Second, the request sought to allow mailers to furnish recipients a label specifically authorizing return of the opened parcel to the original mailer as BPRS.

On July 30, 1999, the Postal Service filed a motion before the Commission seeking acceptance of a Stipulation and Agreement for settlement of the issues in this docket. The Stipulation and Agreement follows, in all but one minor respect, the terms initially

requested by the Postal Service.<sup>1</sup> There was no opposition among the parties to the proposed settlement.<sup>2</sup> The Recommended Decision of the Commission adopts the changes to Domestic Mail Classification Schedule § 935 that are reflected in the Stipulation and Agreement. The Opinion of the Postal Rate Commission that accompanies that Recommended Decision thoroughly describes the background and the settlement proposal adopted by the Commission. We will not repeat those descriptions here.

As a result of the cooperation of all of the parties in settling the issues raised by the Postal Service's request, the Commission was able to issue its recommended decision within the 90 days contemplated by its rules governing the consideration of expedited minor classification cases. This is the first time that these relatively new procedures have been used and it is encouraging to see that the interested parties were able to achieve a successful result.

We have concluded that the classification changes recommended by the Postal Rate Commission will help maintain a fair and equitable mail classification system, in accordance with the policies of the Postal Reorganization Act. Therefore, we approve the changes in classification recommended by the Commission.

#### **ESTIMATE OF ANTICIPATED REVENUE**

The Postal Reorganization Act requires that our Decision include an estimate of anticipated impact on postal revenues (39 U.S.C. § 3625(e)). The evidentiary record in

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<sup>1</sup> The language authorizing use of the return label was revised from the requested language contemplating inclusion of the return label in the parcel to allow mailers to provide labels separately, such as by First-Class Mail, or the Internet, as is the practice with Merchandise Return Service.

<sup>2</sup> All but one of the participants signed the Stipulation and Agreement; that one indicated that it was not opposed to the settlement.

the proceeding reflects that the changes we are approving will have no measurable financial effect upon the Postal Service.

## ORDER

In accordance with the foregoing Decision of the Governors, the changes in classification set forth in Attachment A hereto and incorporated herein are hereby approved and ordered into effect. In accordance with Resolution 99-10 of the Board of Governors dated August 30, 1999, the changes will take effect at 12:01 a.m. on October 3, 1999.

By The Governors:

A handwritten signature in black ink, appearing to read "Eugene L. ...", is written over a horizontal line.

Chairman

**935 BULK PARCEL RETURN SERVICE**

**935.1 Definition**

**935.11** Bulk Parcel Return Service provides a method whereby high-volume parcel mailers may have ~~[undeliverable-as-addressed]~~ machinable parcels returned to designated postal facilities for pickup by the mailer at a predetermined frequency specified by the Postal Service or delivered by the Postal Service in bulk in a manner and frequency specified by the Postal Service. Such parcels are being returned because they: (1) are undeliverable-as-addressed; (2) have been opened, resealed, and redeposited into the mail for return to the mailer using the return label described in section 935.36 below; or (3) are found in the mailstream, having been opened, resealed, and redeposited by the recipient for return to the mailer, and it is impracticable or inefficient for the Postal Service to return the mailpiece to the recipient for payment of return postage.

**935.2 Description of Service**

**935.21** Bulk Parcel Return Service is available only for the return of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail subclasses: Regular and Nonprofit.

**935.3 Requirements of the Mailer**

**935.31** Mailers must receive authorization from the Postal Service to use Bulk Parcel Return Service.

**935.32** To claim eligibility for Bulk Parcel Return Service at each facility through which the mailer requests Bulk Parcel Return Service, the mailer must demonstrate receipt of 10,000 returned machinable parcels at a given delivery point in the previous postal fiscal year or must demonstrate a high likelihood of receiving 10,000 returned parcels in the postal fiscal year for which the service is requested.

**935.33** Payment for Bulk Parcel Return Service is made through advance deposit account, or as otherwise specified by the Postal Service.

**935.34** Mail for which Bulk Parcel Return Service is requested must bear endorsements specified by the Postal Service.

**935.35** Bulk Parcel Return Service mailers must meet the documentation and audit requirements of the Postal Service.

**935.36** Mailers of parcels endorsed for Bulk Parcel Return Service may furnish the recipient a return label, prepared at the mailer's expense to specifications set forth by the Postal Service, to authorize return of opened, machinable parcels at the expense of the original mailer. There is no additional fee for use of the label.

**935.4 Other Services**

**935.41** The following services may be purchased in conjunction with Bulk Parcel Return Service:

	<b>Service</b>	<b>Fee Schedule</b>
a.	Address Correction Service	911
b.	Certificate of Mailing	947
c.	Shipper-Paid Forwarding	936

**935.5 Fee**

**935.51** The fee for Bulk Parcel Return Service is set forth in Fee Schedule 935.

**935.6 Authorizations and Licenses**

**935.61** A permit fee as set forth in Schedule 1000 must be paid once each calendar year by mailers utilizing Bulk Parcel Return Service.

**935.62** The Bulk Parcel Return Service permit may be canceled for failure to maintain sufficient funds in an advance deposit account to cover postage and fees on returned parcels, or for failure to meet the specifications of the Postal Service, including distribution of return labels that do not conform to Postal Service specifications.

**RESOLUTION OF THE BOARD OF GOVERNORS**

**OF THE**

**UNITED STATES POSTAL SERVICE**

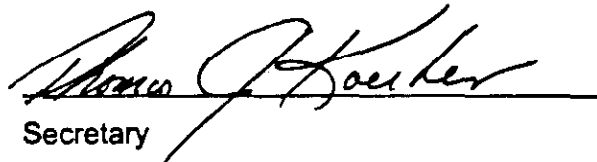
**Resolution No. 99-10**

**Effective Date of New Classification**

**RESOLVED:**

Pursuant to section 3625(f) of Title 39, United States Code, the Board of Governors determines that the classification and fees that were ordered to be placed into effect by the Decision of the Governors adopted on August 30, 1999, shall become effective at 12:01 a.m. on October 3, 1999.

The foregoing Resolution was adopted by the Board of Governors on August 30, 1999.

  
Secretary